

Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 09-4389/1	Introduction Number SB-624	
Description expanding the authority of political subdivisions to make residential energy efficiency improvement loans, and authorizing political subdivisions to make water efficiency improvement loans and impose special charges for the loans.		
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Cities </div> </div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </div> <div> Affected Ch. 20 Appropriations </div> </div>		
Agency/Prepared By DOA/ Pat Meier (608) 266-5877	Authorized Signature Martha Kerner (608) 266-1359	Date 3/25/2010

Fiscal Estimate Narratives

DOA 3/25/2010

LRB Number	09-4389/1	Introduction Number	SB-624	Estimate Type	Original
Description expanding the authority of political subdivisions to make residential energy efficiency improvement loans, and authorizing political subdivisions to make water efficiency improvement loans and impose special charges for the loans.					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a municipality is authorized to impose a special charge against real property for various services rendered. Further, a political subdivision is authorized to make loans for energy efficiency improvements and collect loan payments in installments as a special charge. This bill expands the entities eligible for such loans and also expands the purposes for which such loans may be made. These loans are to be made by political subdivisions using local funds; the Department of Administration (DOA) would have no involvement. Consequently, this bill has no fiscal impact on DOA.

DOA does not have the data necessary to estimate the extent to which political subdivisions would make use of this provision or to estimate the rate at which such loans may be repaid or default and, thus, cannot forecast any local government fiscal impact.

Long-Range Fiscal Implications

Unknown.

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Agency/Prepared By PSC/ Sarah Klein (608) 266-3587	Authorized Signature Nate Zolik (608) 266-1261	Date 4/5/2010

Fiscal Estimate Narratives
PSC 4/5/2010

LRB Number	09-4389/1	Introduction Number	SB-624	Estimate Type	Original
Description expanding the authority of political subdivisions to make residential energy efficiency improvement loans, and authorizing political subdivisions to make water efficiency improvement loans and impose special charges for the loans.					

Assumptions Used in Arriving at Fiscal Estimate

2009 WI Act 11 authorized a political subdivision (municipality or county) to impose a special charge against real property for various services rendered by the municipality. The law also allows these political subdivisions to make loans to residents of the municipality for making or installing an energy efficiency improvement or renewable resource application to their residential property. This loan repayment is collected via the "special charge" process described above.

The bill expands the energy efficiency loan provisions above to include both commercial and industrial premises and adds water efficiency improvements to the group of allowable enhancements eligible for these loans.

The bill also allows the political subdivision to enter into a loan repayment agreement with the owner or lessee of the premises under which the owner or lessee obtains a loan from a private lender for said improvement, acting as a conduit by collecting the repayment of the loan as a special charge and forwarding the amount collected to the private lender.

While the PSC is the administrator of the state's Focus on Energy program, it has no involvement in the issuance of these loans and therefore no fiscal impact would affect the PSC.

While difficult to forecast, there could be local government fiscal impact if the loans they issue or the private loans they become a part of via repayment agreements, are not repaid on time or defaulted.

Long-Range Fiscal Implications

unknown